

Minister of Transport,
Infrastructure and Communities



Ministre des Transports,
de l'Infrastructure et des Collectivités

Ottawa, Canada KM ON5

29 2010

FAX:(517) 335-6863

Governor Jennifer M. Granholm
Office of the Governor
State of Michigan
P.O. Box 30013
Lansing, Michigan 48909
U.S.A.

Dear Governor:

I am writing with respect to the Detroit River International Crossing (DRIC) project.

As you know, since 2005, Transport Canada has been working diligently with its bi-national partners, the United States Federal Highways Administration, the Michigan Department of Transportation (MDOT) and the Ontario Ministry of Transportation, to complete the comprehensive environmental assessments for the DRIC. Those environmental assessments have now been completed and approved in both Canada and the United States. The partnership is now in a position to proceed with the implementation of the much-needed new bridge crossing that will connect Highway 401 in Windsor and Interstate-75 in Detroit, the busiest international trade corridor in the world.

In keeping with the 2009 Michigan Budget language (PA 116, Section 384), I understand that the State Legislature intends to fully adopt or reject authorizing legislation for the DRIC project by June 1, 2010. I understand that MDOT will be responding to the requirements of the State Legislature by May 1, 2010, including proposals from the private sector expressing interest in a public-private partnership to construct the bridge, plaza, and related infrastructure as well as an investment grade traffic study for the project.

Given the importance of this new crossing to the economic security and future prosperity of the United States and Canada, on behalf of the Government of Canada, I am pleased to inform you that Canada is prepared to increase its financial participation in the DRIC project.

.../2

Canada

Upon the Michigan Legislature adopting all of the authorizing legislation for the implementation of the DRIC project, Canada, MDOT and a future private partner would have to enter into the requisite governance and financial agreements to implement the project. Through these agreements, which will be subject to the approval of the Government of Canada, Canada would be prepared to offer to increase its financial participation up to a maximum of US\$550 million, for project components in Michigan that would not be funded by the public-private partnership or the United States Government. Amongst other terms to be negotiated to the satisfaction of both Canada and MDOT, Canada would expect repayment from the anticipated toll revenues to be derived from the operation of the new bridge.

I would propose that you convey this intention from the Government of Canada to the State Legislature, should it be helpful to their decision-making related to the future of the DRIC project.

I look forward to a positive outcome and to working with you and your officials on the implementation of this very important project.

Sincerely,

A handwritten signature in black ink, appearing to read "John Baird". The signature is fluid and cursive, with the first name "John" and last name "Baird" clearly distinguishable.

John Baird, P.C., M.P.



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

RICK SNYDER
GOVERNOR

KIRK T. STEUDLE
DIRECTOR

January 20, 2011

Mr. Russell L. Jorgenson
Federal Highway Administration
315 W. Allegan, Room 301
Lansing, Michigan 48933

Dear Mr. Jorgenson:

This letter is to confirm the agreement between the Michigan Department of Transportation and the Federal Highway Administration to allow the use of the Canadian funding pledge of \$550 million for the Detroit River International Crossing to be used as the non-federal share to match federal aid.

These non-federal payments will in turn be programmatically used to match an appropriate amount of federally funded project costs incurred for that year. This will allow for a statewide program of project reimbursement with 100 percent federal funds.

Thank you for your assistance in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Kirk T. Steudle".

Kirk T. Steudle
Director

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U.S. Department
of Transportation
Federal Highway
Administration

Michigan Division

January 26, 2011

315 W. Allegan Street, Room 201
Lansing, MI 48933
517-377-1844 (office)
517-377-1804 (fax)
Michigan.FHWA@dot.gov

In Reply Refer To:
HAD-MI

Mr. Kirk. T. Steudle
State Transportation Director (B450)
Michigan Department of Transportation
Lansing, MI 48909

Dear Mr. Steudle:

You asked that we confirm that the State of Michigan may use funds donated to the State as the required non-Federal share for Federal-aid projects under Title 23 of the United States Code. We concur in that conclusion.

In addition, we agree that the State of Michigan, with the approval of the Secretary of Transportation, may develop a program of surface transportation projects for which the State will use donated or State funds to meet the non-Federal share requirement for the approved statewide program.

Please note that we must further work together to finalize the development and approval of a program of projects, as well as to reach an agreement as to the manner, timing, and other details related to how the State of Michigan would meet the non-Federal share requirements of an approved program.

We look forward to continuing to work with you to address the important surface transportation needs of the State of Michigan.

Sincerely,

Russell L. Jorgensen
Division Administrator





U.S. Department
of Transportation
Federal Highway
Administration

Michigan Division

March 8, 2011

315 W. Allegan Street, Room 201
Lansing, MI 48933
517-377-1844 (Office)
517-377-1804 (Fax)

In Reply Refer To:
HAD-MI

Mr. Kirk T. Steudle,
State Director
Michigan Department of Transportation
Lansing, MI 48901

Dear Mr. Steudle:

In our previous letter, we confirmed that the State of Michigan may use donated funds as the non-Federal share for Federal-aid projects under Title 23 United States Code. We also confirmed that the State, with the approval of the Secretary of Transportation, may develop a program of surface transportation projects and use donated and State funds to meet the non-Federal share requirement for the approved statewide program. We stressed in our letter the need to reach agreement as to the manner, timing, and other details related to how the State of Michigan would meet the non-Federal share requirements of an approved program.

Your March 7, 2011 letter provides a good framework outlining many of the details necessary for Federal-aid program approval under 23USC133(e)(2). As you indicated, MDOT must ensure that all Federal-aid requirements be met for all projects undertaken as part of an annual STP Program Approval including the NITC. Assurances by MDOT would either be through direct MDOT program and project delivery or through MDOT's oversight responsibility for non-MDOT administered projects as outlined in 23USC106(g)(4). Please note that only costs eligible under Title 23 and related Federal requirements may be used in calculating the program match requirement.

You asked that we confirm your understanding of MDOT's role in ensuring approval to use NITC project contributions as State match and MDOT's oversight responsibilities for the NITC and all projects as part of a STP Program approval. We concur in your understanding and conclusions.

We look forward to working with you and your staff to address the many details that will arise as this annual STP Program Approval is developed.

Sincerely,

Russell L. Jorgenson
Division Administrator





ROCK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

KIRK T. STELCKE
DIRECTOR

March 8, 2011

Mr. Russell L. Jorgenson
Division Administrator
Federal Highway Administration
315 West Allegan Street
Lansing, Michigan 48933

Dear Mr. Jorgenson:

Thank you for meeting with us to discuss how contributions for the New International Trade Crossing (NITC) project could be combined with other state projects as part of a single federal-aid program approval. The development of this approach will assist the Michigan Department of Transportation (MDOT) in implementing the state's highway road and bridge program, which would not be possible due to state funding shortfalls. We appreciate your willingness to utilize an innovative solution to address this problem by considering a Surface Transportation Program (STP) Program Approval.

The following is our understanding of how a programmatic obligation of Federal STP funds, including the NITC project, could be implemented.

The STP Program Approval will be for a specific set of state projects, including the NITC project, listed by fiscal year in the State Transportation Improvement Program (STIP) as one Federal-aid program. The STP Program Approval will be annually authorized/obligated as a Federal-aid program with the set of projects reflected on the STIP in the year of planned obligation.

In order to receive Federal funds, we understand MDOT's oversight responsibilities and obligation for the NITC project are the same as with all federal-aid projects. Specifically, the NITC and all projects in the STP Program Approval will follow all Federal-aid regulations, processes, and procedures in order to receive federal matching credit for non-federal expenditures (i.e. Canadian or private fund donations). The following are some of the Federal requirements that are applicable to all Federal-aid highway projects:

- The Clean Air Act of 1970 and as amended in 1990
- The Clean Water Act of 1977 and as amended in 1987
- The National Environmental Policy Act (NEPA) of 1969 and other environmental laws and requirements
- Major Project Requirements
- The Uniform Relocation Assistance and Real Property Acquisition Act of 1970
- The Civil Rights Act of 1964 and other Civil Rights laws and requirements, including the Disadvantaged Business Enterprise (DBE) Program
- The Davis Bacon Act and other labor laws/requirements
- The Common Rule (49 CFR 18) with respect to procurement
- The Brooks Act (Qualification Based Selection of Engineer and Architects)

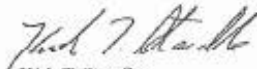
Mr. Russell L. Jorgenson
Page Two
March 8, 2011

- Requirement Federal contract provisions (FHWA 1273)
- Competitive bidding requirements
- Buy America
- The Statewide and Metropolitan planning provisions
- Manual on Uniform Traffic Control Devices (MUTCD)
- Proprietary products
- Outdoor Advertising Control
- Federal Land Transfers
- Sale of Excess land
- Value Engineering

It is our understanding that in order to receive approval to use NITC project contributions as a state match, MDOT must provide oversight responsibilities for the NITC project consistent with the MDOT/Federal Highway Administration (FHWA), Project Approval and Oversight Agreement, dated March 10, 2004, including subsequent updates. Further, MDOT must ensure that all administrative, financial, and contracting processes are in place in order to secure federal funds. In the event that the NITC authority is making direct project expenditures, MDOT must ensure an adequate financial system is in place to support Federal billings. MDOT must also ensure that all procurement processes are in accordance with Federal regulations.

Please confirm our understanding and agreement. If you have any questions, please contact me or Myron Frierson, Bureau Director, Finance and Administration, at (517) 373-2117.

Sincerely,



Kirk T. Stendle
Director

Minister of Transport,
Infrastructure and Communities
MAR 25 2011



Ottawa, Canada KM ON5

Ministre des Transports,
de l'Infrastructure et des Collectivités

FAX: (517) 335-
6863

Governor Rick Snyder
Office of the Governor
State of Michigan
P.O. Box 30013
Lansing, Michigan 48909
U.S.A.

Dear Governor:

I am writing to reaffirm the Government of Canada's offer to increase its financial participation in the Detroit River International Crossing project up to US\$550 million as described in former Minister of Transport, Infrastructure and Communities, John Baird's April 29, 2010 letter.

As noted in that letter, upon the Michigan Legislature adopting all of the authorizing legislation for the implementation of the DRIC project, Canada, Michigan and a future private partner would have to enter into the requisite governance and financial agreements to implement the project. Through these agreements, which will be subject to the approval of the Government of Canada, Canada would be prepared to increase its financial participation up to a maximum of US\$550 million, for project components in Michigan that would not be funded by the public-private partnership or the United States Government. Amongst other terms to be negotiated to the satisfaction of both Canada and Michigan, Canada would expect repayment from the anticipated toll revenues to be derived from the operation of the new bridge.

I look forward to a positive decision on this project from the Michigan Legislature and to working with you and your officials on the implementation of this very important project.

Sincerely,

A handwritten signature in blue ink, appearing to read "Chuck Strahl".

Chuck Strahl, P.C., M.P.

03-0386 (0602-01)

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Canada



THE SECRETARY OF TRANSPORTATION
WASHINGTON DC 20590

June 14, 2011

The Honorable Mike Kowall
Chairman, Committee on Economic Development
Michigan State Senate
Post Office Box 30036
Lansing, MI 48909-7536

Dear Chairman Kowall:

As you consider legislation to create a governmental authority that could facilitate the development of the New International Trade Crossing in the Detroit Windsor Corridor, I write to provide the view of the U.S. Department of Transportation (DOT) on this critical project.

Since taking office, President Obama has made creating jobs and ensuring sustainable economic growth a top priority. This Administration recognizes that a critical component of stimulating economic growth in the United States is ensuring that U.S. businesses can actively compete in the global markets by increasing their exports of goods, services, and agricultural products. Improved export performance will, in turn, create good high-paying jobs. To help us reach these goals, the President established the National Export Initiative and the Export Promotion Cabinet, of which I am a member.

Ensuring that the United States has the robust transportation infrastructure necessary to accommodate projected increases in America's exports resulting from the National Export Initiative is a key role for my Department in partnership with the States. As such, DOT recognizes the need to upgrade the border crossing in the Detroit Windsor Corridor.

Currently, the Detroit Windsor Corridor carries 24 percent of the United States' trade with Canada, our largest trading partner. For the next two decades, this Corridor will continue to be the busiest land commercial international crossing in North America. During that period, annual trade is expected to double from the current annual trade levels of \$500 billion. We believe the New International Trade Crossing will be needed to provide the additional traffic lanes necessary to meet this growing demand.

Passage of the legislation under consideration today is the next step in bringing these additional publicly-owned lanes and the New International Trade Crossing to fruition. This bi-national project will result in a border system solution for the United States and Canada, creating a freeway-to-freeway connection from Michigan to Ontario, modern and efficient border inspection facilities in both countries, and a new international crossing over the Detroit River. This will provide an additional border crossing option to ensure the safe, efficient, and secure movement of people and goods across the U.S.-Canadian border to support the long-term growth of the economies of Michigan, Ontario, as well as throughout Canada and the United States.

Page 2

The Honorable Mike Kowall

Canada has also shown its strong commitment to this important project and our partnership by agreeing to provide \$550 million in funding. My Department will allow this funding to be used as matching funds for eligible Federal-aid highway work once the State accepts it.

I commend your leadership and the leadership of this Committee for holding hearings on SB 410 and SB 411, and the leadership of Governor Snyder for supporting this legislation. The development of the New International Trade Crossing is an important next step in both ensuring the continued prosperity of your State and the Nation and supporting trade with our largest trading partner. I am committed to continuing to work with Governor Snyder, the Michigan Legislature, and Canada to implement this crucial project.

Sincerely yours,



Ray LaHood

cc: Governor Rick Snyder
Senator Dave Hildenbrand